



**ASSOCIATION of
GOVERNMENTS**

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Ventura County: Judy Mikels, Ventura County • Glen Becerra, Simi Valley • Carl Morehouse, San Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Lou Correa, County of Orange

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

SS9 05.09.06

MEETING OF THE

ADMINISTRATION COMMITTEE

PLEASE NOTE DATE CHANGE

Thursday, December 14, 2006

9:00 a.m. – 10:00 a.m.

SCAG Offices

818 West 7th Street, 12th Floor

Conference Room San Bernardino

Los Angeles, CA 90017

213.236.1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Lisa Taylor at 213.236.1891 or taylorl@scag.ca.gov

Agendas and Minutes for the Administration Committee are also available at:

www.scag.ca.gov/committees/ac.htm

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1868 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1868.

Administration Committee Membership

December 2006

Member	Representing	Affiliation
Aldinger, Jim	Manhattan Beach	SBCCOG
Baldwin, Harry	San Gabriel	TCC
Becerra, Glen	Simi Valley	Ventura County
Bowlen, Paul	Cerritos	CEHD
Burke, Yvonne	Los Angeles	President
Dixon, Richard	Lake Forest	Officer
Edney, Jon	El Centro	CEHD
Loveridge, Ronald	Riverside	Riverside County
Lowenthal, Bonnie	Long Beach	TCC
Masiel, Andrew	Pechanga Band of Luiseno Mission Indians	Appointed
O'Connor, Pam	Santa Monica	Appointed
Ovitt, Gary	San Bernardino	Officer
Parks, Bernard	Los Angeles	Appointed
Pettis, Greg	Cathedral City	CVAG
Roberts, Ron	Temecula	WRCOG
Smith, Greig	Los Angeles	Los Angeles
Wapner, Alan	Ontario	SANBAG
Washburn, Dennis	Calabasas	EEC
Young, Toni	Port Hueneme	EEC

ADMINISTRATION COMMITTEE

AGENDA

PAGE #

TIME

"Any item listed on the agenda (action or information) may be acted upon at the discretion of the Committee."

1.0 **CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Hon. Toni Young,
Chair

2.0 **PUBLIC COMMENT PERIOD**

Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker's card to the Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The chair may limit the total time for all comments to twenty (20) minutes.

3.0 **REVIEW and PRIORITIZE AGENDA ITEMS**

4.0 **CONSENT CALENDAR**

4.1 **Approval Item**

4.1.1 Minutes of November 2, 2006 01
Attachment

4.1.2 Contracts Over \$250,000 05
Attachment

4.1.3 Contract Amendments Over \$75, 000 08
Attachment

4.1.4 The 2007 National Alternative Fuels and 10
Vehicles Conference and Expo
Attachment

4.2 **Receive and File**

4.2.1 Contracts/Purchase Orders \$5,000 to \$250,000 12
and MOUs Between \$5,000 to \$250,000
Attachment

ADMINISTRATION COMMITTEE

AGENDA

			PAGE #	TIME
5.0	<u>ACTION ITEMS</u>			
5.1	<u>Final Version of Delegation Agreement re: RHNA Attachment</u>	Karen Tachiki, Chief Counsel	14	5 minutes
5.2	<u>RHNA Budget Report Attachment</u>	Wayne Moore,CFO	28	5 minutes
5.3	<u>Extension of Contracts for State & Federal Lobbyists Until June 30, 2007 Attachment</u>	Don Rhodes, SCAG Staff	30	5 minutes
5.4	<u>Personnel Committee Attachment</u>			
5.4.1	<u>Merit Pay Program – Extend Pilot Status through July 2007 Attachment</u>	Debbie Dillon, SCAG Staff	32	5 minutes
6.0	<u>INFORMATION ITEMS</u>			
6.1	<u>Audit Committee Report</u>	Hon. Paul Nowatka, Chair		
6.2	<u>CFO Monthly Financial Report for August/September 2006 Attachment</u>	Wayne Moore, CFO	36	5 minutes

ADMINISTRATION COMMITTEE

AGENDA

- | | <i>PAGE #</i> | <i>TIME</i> |
|------------|---|-------------|
| 7.0 | <u>FUTURE AGENDA ITEMS</u> | |
| | Any Committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three (3) minutes. | |
| 8.0 | <u>ANNOUNCEMENTS</u> | |
| 9.0 | <u>ADJOURNMENT</u> | |
| | The next meeting of the Administration Committee will be held on Thursday, January 4, 2007 in the SCAG offices in downtown Los Angeles. | |

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
ADMINISTRATION COMMITTEE

November 2, 2006

MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ADMINISTRATION COMMITTEE. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Administration Committee held its meeting at SCAG Offices, Downtown, Los Angeles, CA. The meeting was called to order by Toni Young, Chair, Port Hueneme. There was a quorum.

Members Present

Aldinger, Jim	City of Manhattan Beach
Baldwin, Harry	City of San Gabriel
Bowlen, Paul	City of Cerritos
Burke, Yvonne	County of Los Angeles
Clark, Margaret	City of Rosemead
Edney, Jon	City of El Centro
Lowenthal, Bonnie	City of Long Beach
Loveridge, Ronald	City of Riverside
Masiel, Andrew	Pechanga Band of Luiseno Mission Indians
Nowatka, Paul	City of Torrance
O'Connor, Pam	City of Santa Monica
Ovitt, Gary	County of San Bernardino
Parks, Bernard	City of Los Angeles
Pettis, Greg	City of Cathedral City
Roberts, Ron	City of Temecula
Washburn, Dennis (Vice Chair)	City of Calabasas
Young, Toni (Chair)	City of Port Hueneme

Members Not Present

Becerra, Glenn	City of Simi Valley
Dixon, Richard	City of Lake Forest

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
ADMINISTRATION COMMITTEE
November 2, 2006

MINUTES

1.0 CALL TO ORDER & PLEDGE OF ALLEGIENCE

Hon. Toni Young, Chair, Port Hueneme, called the meeting to order at 9:10 a.m.

2.0 PUBLIC COMMENT PERIOD

Item 5.2: Corrie Kates, City of Indian Wells, emphasized a strong need for incentive programs to provide affordable housing.

3.0 REVIEW and PRIORITIZE AGENDA ITEMS

Item 4.1.2 pulled for discussion.

4.0 CONSENT CALENDAR

4.1 Approval Item

4.1.1 Minutes of October 5, 2006

4.1.2 Caltrans Transportation Planning Grant Applications

4.1.3 Resolution #06-480-1 for Application for Blueprint Planning Grant Funds

4.1.4 Memorandum of Understanding (MOU) Regarding the Large Urbanized Area Grant Funds

4.1.5 Contracts over \$250, 000

A Motion was made by Clark to Approve the Consent Calendar. Motion was, Seconded by Nowatka and unanimously approved by the Committee.

4.2 Receive and File

4.2.1 Purchase Orders/Contracts \$5000 to \$250,000

4.2.2 2007 Meeting Calendar for the Administration & Policy Committees and the Regional Council

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
ADMINISTRATION COMMITTEE
November 2, 2006

MINUTES

5.0 ACTION ITEMS

5.1 Funding Support for the California Regional Progress Report

Ping Chang, SCAG Staff, informed the Committee of a joint effort by Caltrans and other California MPOs to develop a region-based statewide indicators report that would include regional, inter-regional, and statewide perspectives on progress; emphasizing support of the Regional Blueprint Planning Program. The results of the report would be shared with state, regional, and local decision makers and used to determine possible state policies and initiatives.

A motion was made by Washburn to Approve this item. The motion was, Seconded by Bowlen, and unanimously approved by the Committee.

5.2 Draft Delegation Agreement re: Regional Housing Needs Assessment (RHNA)

Joanne Africa, Deputy Legal Counsel, provided the Committee with an update on the Draft Delegation Agreements with the subregions. The original version did not specify funding or indemnification sources for any of the subregions that accept delegation.

After discussion the Committee decided:

- SCAG will fund a maximum of \$20,000 to subregions accepting delegation
- SCAG will offer indemnification to subregions accepting delegation provided they comply with all the responsibilities of delegation under the agreement; \$25,000 maximum per subregion

A motion was made by Loveridge to Approve this item. The motion was Seconded by Washburn and unanimously approved by the Committee.

5.3 Compass Blueprint Demonstration Project Selection

Lynn Harris, SCAG Staff, briefed the Committee on ranking of projects and asked the Committee to approve the ranking and direct staff to seek additional funding.

A motion was made by Roberts to Approve the ranking. The motion was Seconded by Bowlen and unanimously approved by the Committee.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
ADMINISTRATION COMMITTEE
November 2, 2006**

MINUTES

6.0 INFORMATION ITEMS

6.1 Audit Committee Report

Paul Nowatka, Chair, reported the Audit Committee reviewed the Roles and Responsibilities of the Audit Committee and will make recommendations to enhance the procedures.

6.2 CFO Monthly Financial Reports for July 2006

Wayne Moore, CFO, introduced the Manager of Accounting and the Manager of Budget and Grants reported:

- The CFO Monthly Report format was changed to include a summary of the total budget performance and general fund budget;
- The external auditors will submit draft annual report at the end of October. They will also review the actuarial study on post retirement benefits and the supplemental retirement program;
- The budget process for FY 07/08 is in progress; input from subregions is due on November 13; and
- The Contracts section will focus resources on support to planning and subregions for consultant services and contracting, as well as purchasing and procurement activities

7.0 FUTURE AGENDA ITEMS

- Assemble a task force or subcommittee to review and update Best Practices.

8.0 ANNOUNCEMENTS

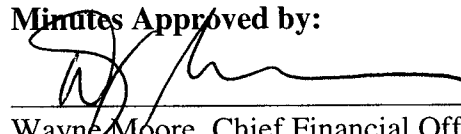
The National League of Cities is meeting December 7th. Therefore, the Administration Committee will meet on December 14th.

9.0 ADJOURNMENT

Hon. Toni Young, Chair, adjourned the meeting at 9:55am.

The next meeting will be held at the Downtown Los Angeles SCAG offices on Thursday, December 14, 2006.

Minutes Approved by:



Wayne Moore, Chief Financial Officer
Staff to the Administration Committee

REPORT

DATE: December 14, 2006
TO: Administration Committee
Regional Council
FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov
SUBJECT: Approval of Contract(s) Over \$250,000

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the award of Contract 07-028-C1 for \$659,951 to System Metrics Group, Inc. for data collection, operational analysis, and template development services.

BACKGROUND:

Attached is a Consultant Contract Summary.

FISCAL IMPACT:

Funds for this contract are included in the fiscal year budget work element 06-255.SCGC1.

If a member believes or has a reason to believe that he or she has a financial interest in any of the firms listed on this Report, the member should consult with SCAG Legal Counsel.

Reviewed by:


Chief Financial Officer

CONSULTANT CONTRACT

Consultant: System Metrics Group, Inc.

Scope: The region covered by the Southern California Association of Governments, known as the SCAG Region, includes the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura and Imperial. The freeway system within the region is experiencing severe congestion and a reduced level of performance. Operational improvements to allow the freeway system to achieve a sustained level of design performance and prevent breakdown and deterioration of potential vehicle throughput may represent a very cost effective strategy to maximize mobility and improve safety. Caltrans has provided SCAG with funding to undertake a study to assess operational improvement strategies, to assess methodologies to test and simulate improvement strategies, and to apply those methodologies to conditions on the I-405 and I-210 corridors in Los Angeles County and use them to prioritize operational improvements.

The operational study will develop a template to be used to assess and prioritize operational improvements on the freeway system and adjacent corridors. The data and methodologies developed will allow Caltrans and SCAG to better understand the impacts of operational conditions on freeway flow and efficiency. This, in turn, will allow for a better understanding of what improvements work best, and allow for better decision making in the allocation of scarce resources to optimize the performance and investment in our freeway system.

Contract Amount:	Total not to exceed	\$659,951
	System Metrics Group (prime)	\$270,648
	Advantec Consulting Engineers (subcontractor)	\$35,089
	Braidwood Associates, Ltd. (subcontractor)	\$179,350
	Cambridge Systematics, Inc. (subcontractor)	\$149,904
	WILTEC (subcontractor)	\$24,960

Notice to Proceed through June 30, 2008

Work Element:	06-255.SCGC1	\$659,951	Funding Sources: Caltrans Funds
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Request for Proposal: SCAG staff notified 434 pre-qualified firms of the release of RFP No. 07-028. The RFP was also advertised on Lawley Publications website, the American Planning Association's website, and posted on SCAG's bid management system. The following four proposals were received in response to the solicitation:

Delcan Corporation (3 subcontractors)	\$659,703
Iteris (Meyer, Mohaddes) (2 subcontractors)	\$659,961

Katz, Okitsu & Associates (2 subcontractors)	\$658,458
System Metrics Group, Inc. (4 subcontractors)	\$659,951

Selection Process:

The Proposal Review Committee (PRC) evaluated all four proposals in accordance with the criteria set forth in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations. Interviews were held with all four offerors.

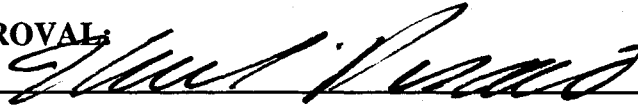
The PRC was comprised of the following individuals:

John Wolf, Assistant Division Chief, Traffic Operations, Caltrans HQ
Pat Weston, Chief Systems Planning, Caltrans HQ
Elhami Nasr, Office Chief, Advanced Planning, Caltrans District 7
Marco Ruano, Chief, Office of Freeway Operations,
Caltrans District 7
Annie Nam, Program Manager, SCAG

REPORT

DATE: December 14, 2006
TO: Administration Committee
Regional Council
FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov
SUBJECT: Approval of Contract Amendment(s) Over \$75,000

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the attached Consultant Contract Amendment of \$285,000 to Sapphire Technologies Contract for temporary staffing services.

BACKGROUND:

Attached is a Contract Amendment Summary.

FISCAL IMPACT:

Funds for this Amendment are included in the fiscal year budget plan.

If a member believes or has a reason to believe that he or she has a financial interest in any of the firms listed on this Report, the member should consult with SCAG Legal Counsel.

Reviewed by:


Chief Financial Officer

CONSULTANT CONTRACT AMENDMENT

Consultant: Sapphire Technologies

Scope: The consultant will provide temporary staffing created by vacancies or short-term peak workload needs. Temporary staffing services are in the area of information technology, such as SAP programming, GIS, Web Development, help desk activities, system implementation or system analysis.

The purpose of this amendment is to add additional funding of \$285,000.00 to cover the remainder of the fiscal year for temporary staffing needs created by vacancies or short term peak workload.

Contract Amount:

This amendment is for	\$285,000.00
Original contract is for	\$285,000.00
Total contract value is not to exceed	\$570,000.00

Contract Period: December 14, 2006 through June 30, 2007

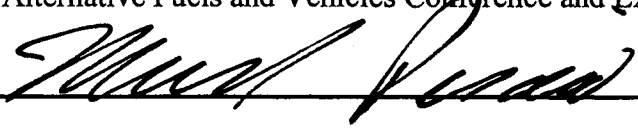
Work Element: 07-XXX.XXXX \$570,000.00 (Funding sources: Indirect Overhead and other funding sources depending on area of need)

Request for Proposal: Not applicable – The State of California. Department of General Services, Procurement Division, in accordance with Public Contract Code (PCC) Sections 10290 et seq. and Section 12101.5, establishes contracts from the federal General Services Administration (GSA) multiple award schedule program for various products and services. As a governmental agency, SCAG is able to take advantage of the California Multiple Awards Schedule (CMAS) contract that Sapphire Technologies has with the State of California, without SCAG having to solicit bids.

Selection Process: CMAS

Basis for Selection: Sapphire Technologies is a qualified CMAS contractor through 12/31/07.

REPORT

DATE: December 14, 2006
TO: Regional Council
FROM: Sheryll Del Rosario, Associate Environmental Planner, (213) 236-1879,
delrosar@scag.ca.gov
SUBJECT: The 2007 National Alternative Fuels and Vehicles Conference and Expo
EXECUTIVE DIRECTOR'S APPROVAL 

RECOMMENDED ACTION:

Support the 2007 National Alternative Fuels and Vehicles Conference and Expo.

SUMMARY:

The National Alternative Fuels and Vehicles Conference and Expo (formerly known as National Clean Cities Conference) is holding their 2007 event in the SCAG region. Planning Committee Chair Will Kleindienst is requesting SCAG's support in advancing the awareness and participation of this event. SCAG support will not include any funding.

BACKGROUND:

The Alternative Fuel Vehicle Institute (AFVI) was founded in 2003 to provide high quality education, training and technical assistance on the broad range of alternative fuel vehicles (AFVs) available in today's marketplace. A non-profit organization, AFVI was formed to fill the gap between the U.S. policy push of hydrogen powered vehicles as the answer to foreign oil dependence and environmental degradation and the reality that commercially available hydrogen powered vehicles will not be available for 15 years or more.

The AFVI will hold the 13th National Alternative Fuels and Vehicles Conference and Expo in Anaheim, California, April 1-4, 2007. The Conference will be held at the Anaheim Marriott & the Anaheim Convention Center. The annual conference was formerly sponsored by the Department of Energy as the national Clean Cities Conference. This annual event brings together more than one thousand government and industry stakeholders who share the mission of reducing petroleum consumption in the transportation sector. The program has long supported non-petroleum fuels including natural gas, ethanol, biodiesel, propane, and electricity; as well as the alternative fuel vehicles (AFVs) that can use those fuels.

Lead sponsors of the 2006 conference were AFV Solutions, American Honda and General Motors. Additional sponsors included Advanced Fleet, ANGI International, BAF Technologies, California Natural Gas Vehicle Coalition, Campbell-Parnell, City of Phoenix, Clean Energy, Cummins Westport, Custom Alloy Products, DaimlerChrysler, Ford, GreenField Compression, ICF International, IMW, John Deere, Logex, National Biodiesel Board, National Ethanol Vehicle Council, Pacific Gas and Electric Company, Pinnacle CNG Company, Propane Exceptional Energy, Salt River Project, Southern California Gas Company, and Toyota.

REPORT

FISCAL IMPACT:

Work related to this item is included in the FY 2006-07/ (07-025) Overall Work Program under Air Quality/Conformity.

Reviewed
by:




Division Manager

Affirmed
by:



Department Director

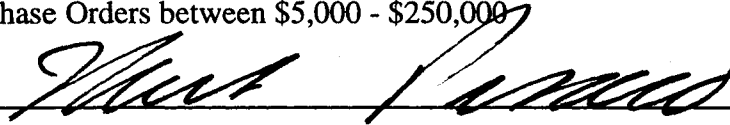
Affirmed
by:



Chief Financial Officer

MEMO

DATE: December 14, 2006
TO: Administration Committee
Regional Council
FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov
SUBJECT: Contracts and Purchase Orders between \$5,000 - \$250,000



BACKGROUND:

SCAG executed the following Contract(s) between \$5,000 and \$250,000

- GIS Consultants \$ 22,546
Parcel Data Consortium Development

SCAG executed the following Purchase Order(s) between \$5,000 and \$250,000


- Dell Marketing \$18,505.08
Replace GIS Server and ARCIMS Server
- Dell Marketing \$ 5,570.86
RTIP Development Server and Google Earth Demo Laptop
- Dell Marketing \$ 8,788.30
TransCAD PC's
- Millennium Biltmore Hotel \$ 8,750.00
SCAG Staff Retreat
- Software Spectrum \$ 5,091.28
SAP & Windows Server Software, MSelect Windows Server Software

MEMO

FISCAL IMPACT:

None. Funding is available.

Reviewed by:



Chief Financial Officer

REPORT

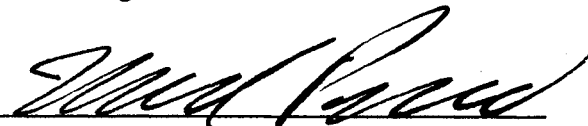
DATE: December 14, 2006

TO: Regional Council
Administration Committee

FROM: Joann Africa, Deputy Legal Counsel, 213-236-1928
africa@scag.ca.gov

SUBJECT: Final Version of Delegation Agreement re. Regional Housing Needs Assessment

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve final version of Delegation Agreement and authorize Executive Director to sign Agreement on behalf of SCAG.

SUMMARY:

As part of staff's efforts relating to preparing the next Regional Housing Needs Assessment (RHNA), a draft Delegation Agreement ("Agreement") was prepared in September 2006. Last month, the Administration Committee and Regional Council reviewed two issues relating to the Agreement, dealing with funding and indemnification. The Administration Committee and Regional Council directed that SCAG provide a maximum of \$20,000 to each subregion who accepts delegation, and approved indemnifying the delegate subregion provided it complies with all of the delegation duties under the Agreement up to the maximum amount of \$25,000.

As a result of last month's action, staff has revised the Delegation Agreement. Attached for your consideration is the final version of the Agreement. Aside from the changes relating to funding and indemnification, staff also made revisions to clarify certain issues relating to the RHNA process, such as the need for the delegate subregion's final allocation plan to be consistent with SCAG's Integrated Growth Forecast and adopted allocation methodology.

This final version of the Delegation Agreement has been presented and circulated to the subregional coordinators for their review and comment. To date, OCCOG and CVAG have relayed to staff an interest in possibly accepting delegation.

In order to best ensure compliance with SCAG's current schedule for undertaking the RHNA, staff proposes that the deadline for SCAG and a subregion to enter into the Delegation Agreement be January 31, 2007. This is based upon staff's intent to present the Draft Housing Allocation Plan, or Draft RHNA, to the Regional Council on February 1, 2007. Assuming the Draft RHNA is approved by such date, the delegate subregion (having accepted and entered into the Agreement) will have its subregional total, can thereafter commence its tasks relating to delegation, and be in a similar position as SCAG in working towards preparing its final allocation plan.

REPORT

FISCAL IMPACT:


Funding for subregions who accept delegation is included as part of staff's additional appropriation request to fund RHNA, which is also scheduled to be discussed at today's meeting.

Reviewed by:



Department Director

Reviewed by:



Chief Financial Officer

**DELEGATION AGREEMENT
CONCERNING HOUSING NEEDS ASSESSMENT
BETWEEN THE SOUTHERN CALIFORNIA ASSOCIATION OF
GOVERNMENTS AND (NAME OF SUBREGIONAL ENTITY)**

This Delegation Agreement ("Agreement" herein) is made and entered into this _____ day of _____, 2007, by and between the Southern California Association of Governments, a joint powers authority established under California law (hereinafter referred to as "SCAG"), and the (NAME OF SUBREGIONAL ENTITY), a _____ (hereinafter referred to as "Subregion"), collectively referred to herein as the "Parties."

RECITALS

The following recitals are a substantive part of this Agreement, and are incorporated herein by this reference.

A. The California Legislature has declared, in Government Code Section 65580, that the availability of housing is of vital state importance, and it is a goal of the State of California to expand housing opportunities and accommodate housing needs of Californians in all economic levels.

B. Counties and cities within California, in order to ensure attainment of the State's housing goal, are required under state law to adopt a general plan, which must include a housing element, which identifies and analyzes existing and projected housing needs, and enumerates goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement and development of housing to meet the needs of all economic segments of the community.

C. Government Code Section 65583(a) requires each such housing element to provide an assessment of the "share" of regional housing needs which must be borne by a local jurisdiction, and an inventory of resources and constraints relevant to the meeting of those needs.

D. SCAG is a joint powers authority agency representing six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial; and is mandated by the federal and state law to research and develop long range regional plans related to transportation, growth, waste management, air quality and housing.

E. SCAG, in consultation with the California Department of Housing and Community Development ("HCD" herein), is required to determine the existing and projected need for housing for the SCAG region pursuant to Government Code Sections 65584 et seq. by way of preparation of a Regional Housing Needs Assessment ("RHNA").

F. Counties and cities use the RHNA to prepare its respective housing element, and specifically, its assessment of its “share” of the regional housing needs.

G. SCAG is preparing the fourth update of the RHNA and intends to submit the RHNA to HCD on or about June 30, 2007. Counties and cities within the SCAG region thereafter are required to prepare and submit their respective updated housing elements to HCD by June 30, 2008.

H. For purposes of preparing the fourth update of the RHNA, SCAG is undertaking a “RHNA Pilot Program,” a program which SCAG is seeking to be codified into state law and streamlines the current statutory process.

I. SCAG is authorized both under current state law and under the RHNA Pilot Program to delegate the responsibility of allocating the projected housing need for jurisdictions with a subregion to a subregional entity by way of a written agreement.

J. Subregion is a subregional entity as set forth in Government Code Section 65584 et seq., is recognized by SCAG as one of the subregions within the SCAG region, and desires to accept delegation of the responsibility of allocating the total housing need for the cities and counties in the _____ subregion, under the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

I. Parties and Purpose.

- A. The Executive Director of SCAG, or his designee, and the _____ of Subregion, or his designee, are authorized to execute this Agreement and carry out the responsibilities of the Parties herein.
- B. The purpose of this Agreement is to establish the responsibilities of the Parties associated with preparation of the fourth update of RHNA as they relate to delegation of the housing allocation process.

II. Definitions:

For purposes of this Agreement, the following terms shall be defined as follows:

“*Adopted Allocation Methodology*” shall mean the final regional housing need allocation methodology adopted by SCAG to be used in preparing the fourth update of the RHNA.

“*Draft Allocation of Local Housing Need*” shall mean the draft allocation made by SCAG for each city or county within the Subregion, of its share of

the Total Subregional Allocation, which is issued by SCAG as part of the Draft Housing Allocation Plan.

“Draft Housing Allocation Plan” shall mean the draft allocation of regional housing need to cities, counties and subregions within the SCAG region prepared and issued by SCAG as a result of its Integrated Growth Forecast and Adopted Allocation Methodology. The Draft Housing Allocation Plan shall also include the Total Regional Allocation.

“Final Allocation of Local Housing Need” shall mean the final allocation made by Subregion for each city or county with the Subregion, of its share of the Total Subregional Allocation, which shall be issued by the Subregion after conclusion of the appeal and trade and transfer process, as described in Sections V.C and V.D, below.

“Final Housing Allocation Plan” shall mean the RHNA or the final allocation of regional housing need to cities, counties and subregions within the SCAG region adopted by SCAG for submittal to HCD

“Integrated Growth Forecast” shall mean the growth scenario established by SCAG for the Southern California region which ties housing to transportation planning, and which serves as the platform for several of SCAG’s regional plans and projects, including the Regional Transportation Plan and the RHNA.

“Local Housing Need” shall mean the existing and projected housing need for persons at all household income levels, as such terms are defined in Government Code Section 65584(e), that each city and county in the Subregion is required to plan for based upon existing and projected household growth forecasts.

“RHNA Pilot Program” shall mean the program initiated by SCAG to streamline the current statutory process of RHNA. Specifically, the RHNA Pilot Program seeks to utilize the Integrated Growth Forecast, which ties housing to transportation and air quality planning. The RHNA Pilot program also replaces the survey process set forth in current state law with public hearings and workshops, aimed at gathering information and facilitating an open dialogue with cities, counties, subregions and the general public about SCAG’s Integrated Growth Forecast and proposed allocation methodology. Finally, the RHNA Pilot program streamlines the appeal process, and provides for one formal appeal by cities and counties of its draft allocation number.

“Total Regional Allocation” shall mean the share of the statewide housing need assigned to the SCAG region by HCD.

“Total Subregional Allocation” shall mean the share of the Total Regional Allocation assigned to the Subregion by SCAG as part of the Draft Housing

Allocation Plan. The Draft Housing Allocation Plan shall be prepared utilizing SCAG's Integrated Growth Forecast and Adopted Allocation Methodology.

III. Acknowledgement of status of RHNA Pilot Program

It is hereby acknowledged by the Subregion that the RHNA Pilot Program has not been enacted into state law as of the date of this Agreement, and that SCAG is implementing the RHNA Pilot Program based upon reasonable assurances that it will be approved and become state law prior to SCAG's completion of the 4th update of RHNA. The Subregion further acknowledges the risk in undertaking the RHNA Pilot Program without statutory authority. Notwithstanding the above, in approving this Agreement, Subregion agrees to abide by the terms of RHNA Pilot Program to the extent applicable to this Agreement. A copy of the RHNA Pilot Program is attached hereto as Exhibit "A."

IV. Duties of SCAG:

For purposes of this Agreement, SCAG shall be responsible for the following duties:

- A. Furnishing Total Subregional Allocation. SCAG shall furnish to Subregion a copy of the Draft Housing Allocation Plan, which shall contain information regarding the Total Regional Allocation, the Total Subregional Allocation and the Draft Allocation of Local Housing Need for each city and county within the boundaries of Subregion.
- B. Furnishing background information regarding Integrated Growth Forecast and Adopted Allocation Methodology to Subregion. At Subregion's request, SCAG shall furnish to Subregion background data and information regarding SCAG's Integrated Growth Forecast and Adopted Allocation Methodology specific to the Subregion, which may be necessary for Subregion's preparation of its Final Allocation of Local Housing Need.
- C. Review of Final Allocation of Local Housing Need. SCAG shall review the Final Allocation of Local Housing Need established by Subregion in order to ensure its consistency with the RHNA Pilot Program, any applicable provisions of Government Code Section 65584 et seq., and the terms of this Agreement. In the event that the Final Allocation of Local Housing Need established by Subregion is inconsistent with the RHNA Pilot Program, the applicable provisions of Government Code Section 65584 et seq., or the terms of this Agreement, SCAG reserves the right to make the final housing need allocations to counties and cities within the

Subregion in accordance with subdivision (d) of Government Code Section 65584.03.

V. Duties of Subregion:

For purposes of this Agreement, the Subregion in accepting delegation shall be responsible for the following duties:

- A. Determination of Final Allocation of Local Housing Need. Subregion shall determine the Final Allocation of Local Housing Need for each city or county contained within the boundaries of the Subregion in accordance with the requirements of the RHNA Pilot Program, or if a matter is not addressed in the RHNA Pilot Program, in accordance with the applicable requirements of Government Code Section 66584 et seq. Subregion's determination of the Final Allocation of Local Housing Need shall be consistent with the Integrated Growth Forecast and the Adopted Allocation Methodology. Subregion shall not utilize a different forecast or allocation methodology. This determination shall be made in a cooperative manner with the affected city or county government, and shall be based upon the Draft Allocation of Local Housing Need made by SCAG for each city or county within the Subregion as part of SCAG's Draft Housing Allocation Plan.
- B. Maintain Total Subregional Allocation. In determining the Final Allocation of Local Housing Need, the Subregion shall maintain the Total Subregional Allocation. Maintenance of the Total Subregional Allocation shall mean to account for the total housing need originally assigned to Subregion as part of the Draft Housing Allocation Plan. By way of example, this means a downward adjustment in one jurisdiction's allocation shall be offset by an upward adjustment in another jurisdiction's allocation in the Subregion.
- C. Administer Appeals Process. The Subregion shall administer and facilitate an appeals process for local jurisdictions within the Subregion seeking to appeal the original local housing need allocation made by SCAG as part of the Draft Housing Allocation Plan. The Subregion shall administer the appeals process in accordance with the terms of the RHNA Pilot Program and for matters not addressed in the RHNA Pilot Program, the applicable provisions of Government Code Section 66584.05. The Subregion may also utilize any procedures developed by SCAG related to appeals in administering the appeals process. Subregion shall adjust allocations to local governments based upon the results of the appeals process, and follow the provisions set forth in subdivision (g) of Government Code Section 65584.05 relating to adjustments. Local jurisdictions shall have no separate right of appeal to SCAG.

- D. Administer Trade and Transfer Process. The Subregion may administer a “trade and transfer process” prior to adoption of its Final Allocation of Housing Need. This trade and transfer process may involve the Subregion facilitating negotiations between two or more cities relating to an alternate distribution of housing allocations between the affected cities. If the alternate distribution maintains the total housing need originally assigned to these communities, the Subregion shall include the alternate distribution in Subregion’s Final Allocation of Local Housing Need. The trade and transfer process may commence before the start of the appeals process and continue until the Subregion’s adoption of its Final Allocation of Housing Need. Trades and transfers may also occur outside of the Subregion provided the Total Subregional Allocation is maintained or accounted for. To the extent that SCAG develops guidelines relating to a trade and transfer process, Subregion’s administration of its trade and transfer shall be consistent with these guidelines.
- E. Compliance with SCAG RHNA Timeline/Submission of Subregion’s Final Allocation of Local Housing Need. Subregion shall comply and adhere to the SCAG RHNA Timeline, attached hereto as Exhibit B. Subregion shall deliver its Final Allocation of Local Housing Need to SCAG in time to be included as part of SCAG’s public hearing relating to the adoption of SCAG’s Final Housing Allocation Plan, unless this Agreement is terminated pursuant to Section IX herein.
- F. Records Maintenance. The Subregion shall maintain organized files of all public records and materials prepared or received in connection with any official business taken pursuant to this Agreement. Subregion shall also maintain a written record of any administrative proceeding conducted pursuant to this Agreement, whether by tape recording or by other means. Subregion shall make such records available to SCAG upon written request to Subregion. Subregion shall maintain these records for a period of not less than three (3) years after submission of its Final Allocation of Local Housing Need to SCAG.

VI. Financial Assistance.

In consideration for Subregion’s agreement to undertake all delegation duties required by this Agreement, SCAG shall provide to Subregion financial assistance in the maximum amount of Twenty Thousand Dollars (\$20,000), hereinafter referred to as “Financial Assistance”. Subregion shall utilize the Financial Assistance solely to implement the terms of this Agreement, including but not limited to, providing staffing (both administrative and technical) to undertake the delegation duties required herein. Subregion shall be responsible for any additional costs required to implement this Agreement that is above the amount of Financial Assistance.

SCAG shall disburse the Financial Assistance to Subregion based upon the following performance milestones:

1. Full Execution of Agreement: Disbursement of 40% of Financial Assistance;
2. Completion of Appeals Process: Disbursement of 40% of Financial Assistance;
3. Delivery to SCAG of Final Allocation of Local Housing Need: Disbursement of 20% of Financial Assistance.

Subregion shall submit sufficient documentation to SCAG to evidence its completion of the above-mentioned performance milestones prior to disbursement of the Financial Assistance. By way of example, in order to evidence completion of the appeals process, Subregion shall submit a written report to SCAG detailing the appeal process, including information relating to the number of appeals and its respective outcomes. SCAG shall have the right to request and review additional information from Subregion in order to approve disbursement of the Financial Assistance.

VII. Indemnification.

Provided Subregion complies with all of its delegation duties required herein, SCAG agrees to indemnify, defend and hold harmless the Subregion, its officers, agents and employees, from any and all claims, demands, costs or liability, including but not limited to legal costs and attorneys fees, arising from or connected with this Agreement, up to a maximum dollar amount of Twenty-Five Thousand Dollars (\$25,000). Subregion agrees and acknowledges that it shall be responsible for any additional costs above this amount which relates to any claim, demand, costs or liability arising from or connected with this Agreement. This indemnification provision does not apply to member jurisdictions of Subregion.

VIII. Progress report to SCAG.

Pursuant to the RHNA Pilot Program, the Subregion agrees and acknowledges that SCAG is required to submit to the State Legislature by March 30, 2007, a written report describing its progress in completing SCAG's final Housing Allocation Plan for the SCAG region. This report by SCAG shall include information regarding the status of the work undertaken by Subregion as part of its acceptance of delegation herein. In order to determine if the Subregion is complying and completing the activities required herein in accordance with the agreed-upon schedule, and to resolve any issues in connection with the work to be performed by Subregion, the Subregion shall submit a progress report to SCAG by no later than March 15, 2007, describing the status of work performed by Subregion to implement this Agreement.

IX. Termination of Agreement.

- A. Termination by Subregion. Subregion shall have the right to terminate this Agreement without cause by giving written notice to SCAG by no later than May 4, 2007 of its intent to terminate. In such event all finished or unfinished documents, data, studies, reports or other materials prepared by Subregion relating to this Agreement shall be given to SCAG. In the event of termination, Subregion shall forfeit any Financial Assistance not disbursed by SCAG.
- B. Termination by SCAG. SCAG shall have the right to terminate this Agreement with cause, including but not limited to, if SCAG has a reasonable basis to conclude that Subregion shall be unable to fulfill in a timely and proper manner its duties under this Agreement. SCAG shall provide written notice to Subregion of its intent to terminate this Agreement, which shall be effective ten (10) days from the date on the notice. In the event of such termination, all finished or unfinished documents, data, studies, reports or other materials prepared by Subregion relating to this Agreement shall be given to SCAG in order for SCAG to determine the local allocation of need for all cities and counties within the Subregion. By termination of this Agreement, SCAG reserves the right to distribute the share of regional housing need to cities and counties within the Subregion using the Draft Allocation of Local Housing Need established by SCAG as part of its Draft Housing Allocation Plan. In the event of termination, Subregion shall forfeit any Financial Assistance not disbursed by SCAG.

X. Other Provisions.

- A. Notices. All notices required to be delivered under this Agreement or under applicable law shall be personally delivered, or delivered by U.S. mail, certified, or by reputable document delivery service such as Federal Express. Notices personally delivered or delivered by a document delivery service shall be effective upon receipt. Notices shall be delivered as follows:

SCAG: Southern California Assn. of Governments
Attn: Hasan Ikhrata, Director of Planning and Policy
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017-3435

Subregion: (Name of Subregional Entity)
Attn: _____

- B. Prohibition against Assignment/Subcontract. Subregion shall not assign or subcontract any rights, duties or obligation in this Agreement.

- C. Governing Law. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California.
- D. Time is of Essence. Time is expressly made of the essence with respect to the performance of the Parties and of each and every obligation and condition of this Agreement.
- E. Amendments in writing. This Agreement cannot be orally amended or modified. Any modification or amendment hereof must be in writing and signed by the Party to be charged.
- F. Interpretation; Days. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. Whenever the word "day" or "days" is used herein, such shall refer to calendar day or days, unless otherwise specifically provided herein. Whenever a reference is made herein to a particular Section of this Agreement, it shall mean and include all subsections and subparts thereof.
- G. Exhibits. All exhibits referred to in this Agreement are attached hereto and incorporated herein by reference.
- H. Cooperation between the Parties/Dispute Resolution. SCAG and Subregion are each undertaking the responsibilities of this Agreement for the benefit of their respective members. The Parties agree and acknowledge that it is their best interest to engage in cooperation and coordination with each other in order to carry out its responsibilities herein. In this spirit of cooperation, the Parties agree that neither party will seek any action in law or in equity. Disputes regarding the interpretation or application of any provision of this Agreement shall be resolved through good faith negotiations between the Parties. Changes in exigent circumstances or the RHNA Law may cause a party to conclude that this Agreement should be amended. If the Parties cannot agree on changes to this Agreement, the Parties can terminate this Agreement; in no event shall either Party seek any legal or equitable remedy against the other.
- I. Entire Agreement. This Agreement constitutes the entire understanding between the Parties. All prior agreements or understandings, whether oral or written, are superseded. Each Party is entering this Agreement based solely upon the representations set forth herein. This Agreement may be executed in counterpart originals, and when the original signatures are assembled together, shall constitute a binding agreement of the Parties.

[Signature Page to follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by its duly authorized officers, shall become effective as of the date in which the last of the Parties, whether SCAG or Subregion, executes this document.

**SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
("SCAG")**

**(NAME OF SUBREGIONAL ENTITY)
("Subregion")**

By _____

By _____

Date _____

Date _____

Approved as to form:

Approved as to form:

Karen Tachiki, Chief Counsel

By _____
Counsel for Subregion

Exhibit “A” – RHNA Pilot Program

(Note: Language of RHNA Pilot Program is still under discussion. The RHNA Pilot Program, once finalized, will be attached as part of the final document prior to execution).

Exhibit "B" – SCAG RHNA Timeline

January 31, 2007	Last day for SCAG and Subregion to execute Delegation Agreement.
Jan. 2007	SCAG to hold second public hearing regarding final methodology, subregional workshop results and policy recommendations.
Feb 1, 2007	SCAG Regional Council to consider adoption of Draft Housing Allocation Plan; Adoption triggers starts of appeal filing period.
March 15, 2007	Subregion to submit progress report to SCAG.
March 30, 2007	SCAG to submit status report to State pursuant to Pilot Program.
Mid-April 2007	SCAG to hold public hearing for appeal jurisdictions.
May 4, 2007	End of appeals process for SCAG; SCAG to start preparing Final Housing Allocation Plan.
June 2007	Subregion to deliver Final Allocation of Local Housing Need to SCAG.
July 5, 2007	SCAG Regional Council to hold public hearing regarding adoption of Final Housing Allocation Plan (RHNA).
July 6, 2007	SCAG submits RHNA to HCD.
Sept. 4, 2007	Deadline for adoption of RHNA by HCD.
June 30, 2008	Due date for jurisdictions in SCAG region to submit updated Housing Elements to HCD.

REPORT

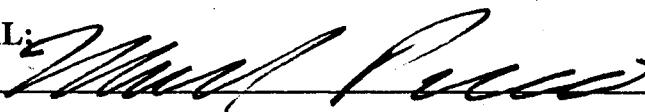
DATE: November 16, 2006

TO: Administration Committee
Regional Council
Wayne Moore, CFO

FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

SUBJECT: RHNA Budget Report

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the use of an additional \$200,000 in General Funds to continue funding the Regional Housing Needs Allocation project.

BACKGROUND:

At the September Regional Council meeting, \$100,000 in General Funds from the current fiscal year budget was reallocated to fund the RHNA project through December 2006. As of the payroll period ending November 11, 2006, \$146,000 in General funds had been expended on the RHNA project.

This current budget request includes estimated project costs for work related to finalizing the RHNA methodology and preparing the Draft Allocation Plan. This process includes the distribution of the housing allocation numbers to subregions who take delegation and to the cities in the subregions that do not take delegation. The process also includes work related to addressing inquiries by cities regarding housing allocations in an effort to mitigate potential appeals. Our budget projections beyond this process are predicated upon the number and nature of appeals that result thereafter. The current project plan has this process being completed in March 2007.

From a budgetary viewpoint, this is a critical period because appeal hearings are projected to occur in mid-April 2007. Staff costs relating to appeals, including in-house and outside counsel costs to provide advice regarding appeals, will drive the magnitude of the required General Fund budget for RHNA. The extent that staff can mitigate potential appeals will be critical in meeting the target budget of \$500,000 for fiscal year 2006. If there are no appeals, the \$500,000 budget target can be met. If, for example, 20% of cities pursue appeals, the additional costs could be between \$150,000 and \$200,000 in fiscal year 2006, and \$50,000 to \$100,000 in fiscal year 2007.

REPORT

FISCAL IMPACT:

All the Funds are included in the current year's appropriated budget.

Reviewed by:



Chief Financial Officer

REPORT

DATE: December 14, 2006

TO: Regional Council
Administrative Committee

FROM: Don Rhodes, Manager of Public and Government Affairs
Phone: (213) 236-1840
rhodes@scag.ca.gov

SUBJECT: Extension of contracts for state and federal lobbyists until June 30, 2007

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION: Authorize the extension of the contracts for both the state and federal lobbyists to the end of the fiscal year (June 30, 2007).

SUMMARY:

The contracts with SCAG's federal lobbyist, the C2 Group, and the state lobbyist, Hatch and Parent will expire on February 6, 2007, and April 21, 2007, respectively. Staff recommends that the contracts be extended through the end of the fiscal year, June 30, 2007. This extension, maintaining existing contract provisions and payment schedules will bring both contracts into conformity with SCAG's fiscal year and prevent disruption to SCAG's legislative activities during the early part of the state legislative and Congressional sessions.

BACKGROUND:

SCAG contracts for the services of both federal and state government affairs consultants/lobbyists. The contract for the federal lobbyist, the C2 Group, is for 48 months with annual options to renew. The final renewal option expires on February 6, 2007. The contract for the state lobbyist, Hatch and Parent, is also for 48 months and its final renewal option expires on April 21, 2007. The current monthly payments are \$16,666 for the federal lobbyist contract and \$6,666 for the state lobbyist contract.

The standard practice would be to commence the request for proposals (RFP) to enable the selection of firms to represent SCAG at the state and federal levels on or before the scheduled expiration date for the existing contracts. However, it would be disruptive to the SCAG legislative program to conduct the RFPs and possibly change representatives during the early part of both the state legislative and Congressional sessions. The SCAG Consensus Trip to Washington, D.C. is planned for February 27, 2007 through March 1, 2007. The state legislative day is usually held in late April or early May. Additionally, much of the activity related to working with members on legislation occurs during the early part of the session. Thus, staff recommends that both the contracts be extended through the end of the current fiscal year, June 30, 2007, maintaining existing contract provisions and payment schedules.




**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

REPORT

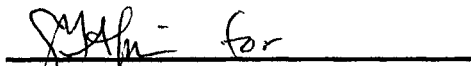
FISCAL IMPACT:

The current General Fund budget contains amounts to pay both the state and federal lobbyists. This proposal, if approved, would not modify the budgeted amounts which, as noted above are \$6,666 monthly for the state lobbyist and \$16,666 monthly for the federal lobbyist.

Reviewed by:


Division Manager

Reviewed by:


Department Director

Reviewed by:


Chief Financial Officer

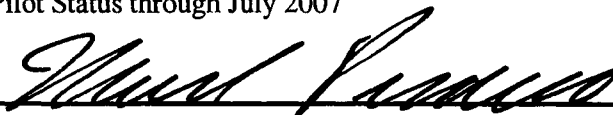
128053 DR



REPORT

DATE: December 14, 2006
TO: Regional Council
Administration Committee
FROM: Debbie Dillon, Human Resources Manager, 213-236-1870
dillon@scag.ca.gov
SUBJECT: Merit Pay Program – Extend Pilot Status through July 2007

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION:

Approve extension of Merit Pay Pilot Program through July 2007.

SUMMARY:

On June 7, 2001, the Regional Council approved recommendations contained in the Compensation study conducted by Personnel Concepts, Inc. One component of that study was the recommendation to implement a Pay for Performance Program. The parameters of that study have been the basis for SCAG's performance evaluation process and compensation planning over the course of the last four years.

Policy direction from the Regional Council in 2001 included applying a Pay for Performance Program to all employees in the senior level positions and above. This includes executive management, managers, supervisors, leads, and seniors. All other employees were to stay on the current compensation system until a later date.

SCAG staff receives compensation adjustments only through the Merit Pay Program. The percentage increases per rating category, as approved by the Regional Council in 2001, are as follows:

Evaluation Rating	Percentage Adjustment
Excels	7-9%
Above Standards	4-6%
Meets Standards	1-3%
Needs Improvement or Unsatisfactory	0

SCAG staff does not receive cost of living adjustments and they do not receive step increases. The salary ranges may be adjusted annually if they are determined by a salary survey to no longer be at the Regional Council approved level of the 75th percentile. Only those employees that fall below the new bottom of the range are adjusted at the time of a range change. A salary survey is conducted annually to determine if adjustments are necessary. Any suggested changes to the ranges are provided to this committee prior to implementation.

REPORT

BACKGROUND:

To assist in the implementation of the Pay for Performance Program, a new performance evaluation process was implemented during fiscal year 2002/2003.

In November 2003 the Personnel Committee received a report on the status of the program and information that staff expected to recommend an extension of the program to the rest of the staff in June 2004.

In April 2004 the Personnel Committee received a status report and a staff recommendation to extend the Pay for Performance program to all employees for a two-year pilot period. The Personnel Committee provided input and recommended to the Administration Committee and the Regional Council in May 2004 to extend the two-year pilot program to all staff effective July 2004.

The Regional Council approved the Merit Pay two-year pilot program and requested periodic updates.

In July 2004 all employees were evaluated and compensated under the Merit Pay pilot program.

In October 2004, May 2005 and October 2005 program status reports were provided to the Personnel Committee.

In October 2006, the Personnel Committee acted to recommend that the pilot program be extended through July 2007 to allow further refinements to the program.

EVALUATION RATING STATISTICS & SALARY ADJUSTMENTS:

The evaluation rating statistics and applicable salary adjustments are listed on the following page. The Excels and Needs Improvement rating categories have remained relatively constant for each year. While the Above Standards category has gradually increased and the Meets Standards category has gradually decreased. This is reflective of the performance of the organization as a whole, in that it has improved in the last four years.

In July 2003, employees below senior level were eligible for a 3% or 0% salary adjustment based on the prior evaluation system. In July 2004, all employees became eligible for the Merit Pay program.

In all years, employees who are at the top of the salary range received a lump sum equivalent to the percentage that was over the top salary range. Effective in July 2006, these lump sum payments are counted by CalPERS as part of an employee's eligible compensation. This became effective with the lump sum payments in July 2006.

REPORT

EVALUATION RATING STATISTIC & SALARY ADJUSTMENT TABLE

Evaluation Rating Scale	July 2003 Ratings	July 2003 % Salary Adj.*	July 2004 Ratings	July 2004 % Salary Adj.	July 2005 Ratings	July 2005 % Salary Adj.	July 2006 Ratings	July 2006 % Salary Adj.
Excels	17 or 17%	8%	13 or 13%	7%	11 or 12%	7%	10 or 13%	7%
Above	23 or 22%	5%	31 or 31%	5%	35 or 38%	5%	35 or 44%	5%
Meets Standard	59 or 57%	3%	51 or 51%	3%	43 or 47%	3%	32 or 40%	3%
Needs Improvement	4 or 4%	0	6 or 6%	0	2 or 2%	0	3 or 4%	0
Unsatisfactory	0	0	0	0	0	0	0	0
TOTAL**	103		101		91		80	

* Employees below Senior Level received 3%; all-other employees eligible for more than 3%.

** Excludes Probationary Employees

Average overall salary increase for fiscal years 2002/2003, 2004/2005 and 2006/2006 were 3.64%, 4.3% and 4.10%, respectively.

ADDITIONAL BACKGROUND:

We are continually improving the process. After four years of using a standardized evaluation form and process, we are experiencing improvements in the overall performance of the organization and the staff. The rating distribution is a good indicator of the performance of the organization as a whole. We determine the success of the program based on the rating statistics, the content of the written evaluations, and the effectiveness of performance management on improving staff performance.

With the assistance of a management consultant, Miralto Consultants, we are implementing three organizational improvement projects that will feed into the performance evaluation process and enable better alignment with each employee's performance agreement measures and the overall mission, vision and goals of the organization. These improvement projects are designed to create more objective measures of an individual's performance and their team performance.

These projects include:

- Initiating a pilot Project Chartering effort to create a governance template and common processes as a means to help work teams and the organization manage and allocate resources more effectively. Maglev will serve as the pilot project.

REPORT

- Establishing preliminary Performance Metrics for the MagLev Project Charter pilot program as a template for developing more integrated organizational performance measurement and evaluation processes to better focus activities toward achieving regional and organizational goals.
- Conducting the Staff Retreat on November 7, 2006 to initiate an organization-wide discussion on the fundamental principles and values that we believe should guide how we work and to incorporate these values into our SCAG mission. These values will feed into the performance evaluation goals and process.


CONCLUSION:

This is an important program and we will continue to seek feedback and make adjustments or changes to the rating factors, criteria, process, and forms. Performance evaluation and performance management training was provided in November 2004, May 2005, Spring 2006 and November 2006 for all management/supervisory employees. The next mid-year review cycle is scheduled for completion in January 2007. We have seen improvement in performance expectations and performance management with the refinement of the program. We will continue to refine the linkage between the employee performance agreement, professional development goals, the mission statement, and the rating criteria. A report will be provided to the Personnel Committee following the mid-year review cycle.

FISCAL IMPACT:

None. This request does not impact the current fiscal year. The next Merit Pay Program payouts will be in the 2007/2008 fiscal year.

Reviewed
by:



Division Manager

Reviewed
by:



Department Director

Reviewed
by:



Chief Financial Officer

MEMO

DATE: December 1, 2006
TO: Administration Committee and Regional Council
FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov
SUBJECT: CFO Monthly Report for September/October 2006



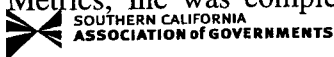
BACKGROUND:

Accounting: In addition to its day-to-day accounting responsibilities in September, the Accounting section devoted significant time to the start of the annual FY06 fiscal audit. Meetings, schedules, procedures and due dates for documentation requested by the external auditor were established and completed. The firm of Vasquez & Co. is a new firm engaged to perform the external audit. The firm completed its field audit work and is currently preparing the financial statements.

A preliminary actuarial report was presented to the CFO and staff by Bartel & Associates. Their work pertains to certain accounting changes required to be implemented by FY09. Bartel was engaged to estimate unfunded actuarial accrued liabilities for post-retirement employee benefits. An updated report is expected in mid November. The accounting staff is also re-examining the supplemental defined benefit retirement plan for 11 retirees established by the Regional Council in 2001. Funding and investment strategies are being examined as a pre-requisite to prepare a final recommendation to the RC.

Budget and Grants: During September and October the Budget and Grants section accomplished the following: Prepared and submitted FY07 OWP Amendment 2 to Caltrans; began preparation of FY07 OWP Amendment #3; initiated the 07-08 OWP development process including: analyzing current year project activity to identify carryover work; refining the project request format; conducting training with SCAG and sub-regional staff; beginning the project request process; and providing technical support to staff and sub-regions. Additional activities: coordinated preparation of 06-07 1st Quarterly Progress Report and submitted it to Caltrans; coordinated preparation and review of Caltrans Planning Grants and submitted to Caltrans; assisted in the completion of a Twelve Month Policy Agenda for the RC and Committees; assisted in completion and submittal of Year Two Blueprint Planning Grant applications to Caltrans; provided financial and grant compliance support to program staff for several discretionary grant projects including Blueprint and Goods Movement; continued work on MOUs for various special grant projects in consultation with legal and program staff

Contracts: During the month of October, 2006, the Contracts Division executed three Continuing Cooperative Agreements (CCA's); with Arroyo Verdugo Cities, City of Los Angeles, and with SANBAG. Subsequent to these CCA's being executed, one contract and four contract amendments were issued to various Consultants. Contracts for the Federal and the State Lobbyists were funded through their respective contract completion dates. A Pre-Award Audit of Systems Metrics, Inc was completed for additional scope to be added to the existing RTP development



MEMO

contract. A Proposal Review Committee selected System Metrics, Inc. for award of the I-405/I-210 Template Study. Members of the Contracts Division Staff attended two Federal Acquisition training seminars, California Multiple Award Schedule (CMAS) training, and a Disadvantaged Business Enterprise (DBE) a Cluster meeting.

FISCAL IMPACT:

There is no fiscal impact.

Reviewed by:



Chief Financial Officer

Southern California Association of Governments
Total Budget vs. Actual Expenditures and Encumbrances
For the Three Months Ended September 30, 2006

Line Item Description	Annual Budget	Three Month Expenditures	% Budget Expended	Budget Balance	% Budget Remaining	Encumbrances (1)	
						Contracts &	Purchasing
Salaries and Fringe Benefits	\$15,315,193	\$2,913,052	19%	\$12,402,141	81%		\$197,870
Consultants & Professional Services	17,794,082	574,335	3%	17,219,747	97%		14,829,181
Sub Region Consultants & Staff Projects	4,268,112	-	0%	4,268,112	100%		3,980,478
Direct & Indirect Costs	5,297,219	967,902	18%	4,329,317	82%		1,534,952
All Other	3,968,279	-	0%	3,968,279	100%		-
Total	\$46,642,885	\$4,455,289	10%	\$42,187,596	90%		\$20,542,481

1. Encumbrances are the remaining balances of contracts or purchase orders, which have been committed.
The encumbrance is used for project budget purposes and not for accounting.

**Southern California Association of Governments
General Fund Budget vs. Actual Expenditures and Encumbrances
For the Three Months Ended September 30, 2006**

Line Item Description	Annual GF Budget	Three Month Expenditures	% Budget Expended	Budget Balance	% Budget Remaining	Encumbrances (1.)	
						Contracts & Purchasing	
Salaries and Fringe Benefits	\$190,001	\$13,961	7%	\$176,040	93%		\$0
Consultant and Professional Services	513,050	-	0%	513,050	100%		347,227
Regional Council (RC) Support	332,700	39,882	12%	292,818	88%		15,881
RC Special Projects and Sponsorships	109,800	162	0%	109,638	100%		83,949
All other Budget Categories	393,953	8,906	2%	385,047	98%		10,000
Total	\$1,539,504	\$62,911	4%	\$1,476,593	96%		\$457,057

1. Encumbrances are the remaining balances of contracts or purchase orders, which have been committed.
The encumbrance is used for project budget purposes and not for accounting.

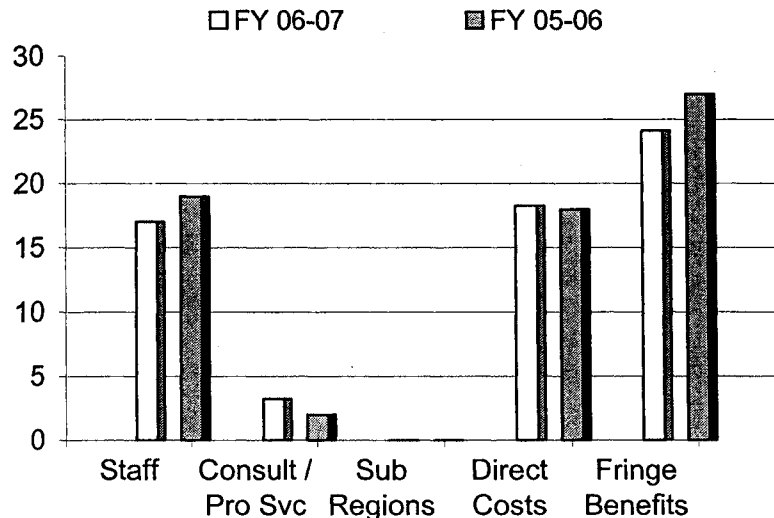
**Budget v. Actual and Encumbrances
Through September - 25% of Year**

	Yr to Date Expenditures Thru Sep	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Pct of Bud
Budget	Balance			Balance	
Staff					
Salaries	10,627,028	1,749,382	8,877,645	16%	-
Temporary Help	395,920	127,924	267,996	32%	197,870
	11,022,948	1,877,306	9,145,641	17%	197,870
Consultant / Professional Services					
SCAG Consultant	17,249,082	567,144	16,681,938	3%	14,571,162
Legal Services	535,000	7,191	527,809	1%	250,519
Professional Services	10,000	0	10,000	0%	7,500
	17,794,082	574,335	17,219,747	3%	14,829,181
Sub Regions					
Subregional Consultant	3,021,696	0	3,021,696	0%	2,745,585
Subregional Staff Projects	1,246,416	0	1,246,416	0%	1,234,893
	4,268,112	-	4,268,112	0%	3,980,478
Direct Costs					
Internet Access Fees	3,000	618	2,382	21%	1,815
Software Support	506,363	57,467	448,896	11%	210
Hardware Support	57,000	9,131	47,869	16%	25,206
Repair - Maintenance	0	0	0	0%	-
Software Purchases	30,000	5,656	24,344	19%	8,193
Office Rent - Main Office	1,200,807	319,521	881,286	27%	649,717
Office Rent - Satellite Office	56,000	13,797	42,203	25%	32,528
Equipment Leases	511,247	112,282	398,965	22%	293,587
Equipment Repairs	34,730	559	34,171	2%	10,133
Insurance	183,985	178,626	5,359	97%	-
Payroll and Bank Process Fee	34,500	5,794	28,706	17%	4,200
Office Supplies	115,500	19,060	96,440	17%	78,689
Office Maintenance	-	-	-	0%	-
Small Office Purchase	498,795	35,636	463,159	7%	64,647
Telephone Charges	90,526	11,949	78,577	13%	419
Postage and Delivery	82,000	12,571	69,429	15%	40,788
SCAG Memberships	97,814	65,104	32,710	67%	-
Professional Memberships	10,980	1,091	9,889	10%	584
Resource Materials and Subs	43,550	8,526	35,024	20%	64,833
Depreciation - Furniture	5,000	2,898	2,102	58%	-
Depreciation - Computer	40,000	11,330	28,670	28%	-
Amortization Lease	0	574	(574)	0%	-
Capital Outlay	44,000	-	44,000	0%	-
Recruitment Notices	25,000	4,968	20,032	20%	23,451
Public Notices	65,000	1,022	63,978	2%	-
Staff Training	181,000	10,268	170,732	6%	82,478
RC & Committee Meetings	22,000	2,676	19,324	12%	10,107
RC Retreat	17,500	-	17,500	0%	-
RC General Assembly	17,500	-	17,500	0%	-
Other Meeting Expense	51,500	410	51,090	1%	673
Miscellaneous	168,583	6,468	162,115	4%	9,316
RC Meeting Stipends	130,000	23,365	106,635	18%	-
Letter of Credit Interest	75,000	0	75,000	0%	-
Caltrans Rapid Pay Fees	1,000	225	775	23%	-
Cash Contributions to Projects	246,839	0	246,839	0%	-
Printing	190,000	25	189,975	0%	49,429
Travel	315,400	38,472	276,928	12%	-
Travel - Lod > Per Diem	3,000	224	2,776	7%	-
Travel - Event Registration	28,800	7,427	21,373	26%	-
NARC BOARD EXPENSE	3,500	-	3,500	0%	-
RC Special Projects	18,000	162	17,838	1%	60,500
RC Sponsorships	91,800	0	91,800	0%	23,449
	5,297,219	967,902	4,329,317	18%	1,534,952

**Budget v. Actual and Encumbrances
Through September - 25% of Year**

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Fringe Benefits								
Vacation Accrual Reconciliatic	-	0	0	0%	-	0	0	0%
Severance Pay	-	0	0	0%	-	0	0	0%
Sick Leave Payback	-	0	0	0%	-	0	0	0%
Compensation Awards	-	0	0	0%	-	0	0	0%
Retirement - PERS	1,958,949	393,958	1,564,991	20%	-	393,958	1,564,991	20%
Retirement - PARS	58,045	14,803	43,242	26%	-	14,803	43,242	26%
Health Insurance	1,185,855	179,243	1,006,612	15%	-	179,243	1,006,612	15%
Dental Insurance	117,067	22,409	94,658	19%	-	22,409	94,658	19%
Vision Insurance	39,159	6,221	32,939	16%	-	6,221	32,939	16%
Life Insurance	95,000	19,858	75,142	21%	-	19,858	75,142	21%
Medical & Dental Cash Rebat	240,000	109,770	130,230	46%	-	109,770	130,230	46%
Medicare Tax	157,977	29,266	128,711	19%	-	29,266	128,711	19%
Tuition Reimbursements	5,000	0	5,000	0%	-	0	5,000	0%
Bus Passes	23,250	2,909	20,341	13%	-	2,909	20,341	13%
Carpool Reimbursements	4,120	525	3,595	13%	-	525	3,595	13%
Bus Passes - Taxable	54,000	14,474	39,526	27%	-	14,474	39,526	27%
Workers Comp Insurance	236,900	234,722	2,178	99%	-	234,722	2,178	99%
Misc. Employee Benefits	11,923	1,034	10,889	9%	-	1,034	10,889	9%
Unemployment Insurance	25,000	0	25,000	0%	-	0	25,000	0%
Deferred Comp Match	76,500	6,142	70,358	8%	-	6,142	70,358	8%
Benefit Administration Fees	3,500	412	3,088	12%	-	412	3,088	12%
	4,292,245	1,035,746	3,256,500	24%	-	1,035,746	3,256,500	24%
Other								
Soft Match Contributions	4,025,853	0	4,025,853	0%	-	0	4,025,853	0%
Exp - Local cash	170,625	0	170,625	0%	-	0	170,625	0%
Reconcile to Burden	(228,199)	0	(228,199)	0%	-	0	(228,199)	0%
	3,968,279	0	3,968,279	0%	0	0	3,968,279	0%
Grand totals:	46,642,885	4,455,289	42,187,596	10%	20,542,481	24,997,770	21,645,115	54%

% of Budget Spent @ 25% of year



Budget v. Actual and Encumbrances
General Fund Only
Through September - 25% of Year

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff								
Salaries	59,011	4,128	54,883	7%	-	4,128	54,883	7%
Fringe Burden	32,538	2,599	29,939	8%	-	2,599	29,939	8%
Indirect Burden	98,452	7,234	91,218	7%	-	7,234	91,218	7%
	190,001	13,961	176,040	7%	-	13,961	176,040	7%
Consultant / Professional Services								
SCAG Consultant	313,050	-	313,050	0%	247,227	247,227	65,823	79%
Legal Services	200,000	-	200,000	0%	100,000	100,000	100,000	50%
Professional Services	-	-	-	0%	-	-	-	0%
	513,050	0	513,050	0%	347,227	347,227	165,823	68%
Regional Council Support								
TRAINING	25,000	-	25,000	0%	-	-	25,000	0%
RC & Committee Meetings	22,000	2,676	19,324	12%	10,107	12,783	9,217	58%
RC Retreat	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	0%	-	-	17,500	0%
Other Meeting Expense	25,000	-	25,000	0%	117	117	24,883	0%
Miscellaneous	21,500	869	20,631	4%	5,657	6,526	14,974	30%
RC Meeting Stipends	130,000	23,365	106,635	18%	-	23,365	106,635	18%
Travel	63,700	12,748	50,952	20%	-	12,748	50,952	20%
Travel - Lod. > Per Diem	3,000	224	2,776	7%	-	224	2,776	7%
Travel - Event Registration	4,000	-	4,000	0%	-	-	4,000	0%
AMPO Board Expense	-	-	-	0%	-	-	-	0%
NARC BOARD EXPENSE	3,500	-	3,500	0%	-	-	3,500	0%
	332,700	39,882	292,818	12%	15,881	55,763	276,937	17%
RC Special Projects and Sponsorships								
RC Special Projects	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	0%	23,449	23,449	68,351	26%
	109,800	162	109,638		83,949	84,111	25,689	
All Other Budget Categories								
Payroll Bank Fees	4,500	1,067	3,433	24%	-	1,067	3,433	24%
Office Supplies	-	-	-	0%	-	-	-	0%
SCAG Memberships	22,614	7,614	15,000	34%	-	7,614	15,000	34%
Capital Outlay	44,000	-	44,000	0%	-	-	44,000	0%
Recruitment Notice	-	-	-	0%	10,000	10,000	(10,000)	0%
Letter of Credit Interest	75,000	-	75,000	0%	-	-	75,000	0%
Caltrans Rapid Pay Fees	1,000	225	775	23%	-	225	775	23%
Cash Contributions to Projects	246,839	-	246,839	0%	-	-	246,839	0%
	393,953	8,906	385,047	2%	10,000	18,906	375,047	5%
Grand totals:	1,539,504	62,911	1,476,593	4%	457,057	519,968	1,019,536	34%